

Building Permits, Home Construction and Housing Valuation The County issues building permits for the unincorporated areas as well as eleven municipalities, who contract with the County for this service. Two municipalities, Milford and Loveland, issue their own permits or contract with other counties. Clermont County entered into a contract for building services inspection for commercial properties in 16 townships and 6 villages within Brown County. These figures are not included in the totals below. The chart below shows the number of permits and their estimated value for the County and its contracting municipalities for the years indicated.

Year	<u>Residential</u>		<u>Commercial</u>		<u>Total</u>	
	Number	Value	Number	Value	Number	Value
1999	1,659	\$157,926,743	591	\$58,001,813	2,250	\$215,928,556
2000	1,588	285,840,000	1,154	287,000,000	2,742	572,840,000
2001*	2,718	195,270,876	1,347	88,450,129	4,065	283,721,005
2002*	3,200	191,180,114	1,632	97,350,296	4,832	288,530,410
2003*	2,923	211,869,425	1,257	132,546,161	4,180	344,415,586

*Includes additions to existing structures

Source: County Building Department

FINANCIAL MATTERS

The County's fiscal year corresponds with the calendar year.

The administrative functions of the County are performed by or under the supervision of the following:

1. Overall planning and development, the Board of County Commissioners.
2. Assessment of real and personal property, as well as financial control functions, the County Auditor.
3. Inspection and supervision of the accounts and reports of the county as required by law, State of Ohio Office of the Auditor.
4. Public utility property assessment by the State of Ohio.

The County currently has no monies invested in banks or savings and loans that are not insured by FDIC or FSLIC, nor does it lend funds without taking possession of the collateral.

Budgeting, Tax Levy and Appropriations Procedures. Detailed provisions for County budgeting, tax levies and appropriations are made in the Revised Code. The procedures involve collective review by County officials at several stages.

County budgeting for a fiscal year formally begins in July of the prior year with the preparation and adoption, after a public hearing, of a tax budget for the fiscal year. With respect to payment of debt service in the fiscal year, the tax budget must show the amounts required, the

estimated receipts for payment from sources other than property taxes, the net amount for which a property tax levy must be made, and the portions of that levy that are inside and outside the ten mill tax rate limitation (see "Indirect Debt Limitations" herein). The tax budget is then presented for review by the County Budget Commission, comprised of the Auditor, Treasurer and Prosecuting Attorney of the County.

The County Budget Commission reviews the budget and with respect to debt service determines and approves levies for debt service inside and outside the ten-mill rate limitation. The law expressly provides that "if any debt charge is omitted from the budget, the commission shall include it therein." Upon approval of the tax budget, the County Budget Commission certifies the estimate by the County Auditor of the tax rates inside and outside the ten-mill tax limitation. Thereafter and before the end of the then calendar year, the Commissioner of the Department of Tax Equalization calculates the tax reduction factor and certifies them to the County Auditor. The tax rates are then reflected in the tax bills sent to property owners. Real property taxes are payable in two installments, the first usually in February and the second in June.

The Ohio Revised Code allows for the Commissioners to adopt a temporary appropriation measure on or about the first day of January if they desire to postpone passage of the annual appropriation measure for the fiscal year. If a temporary appropriation measure is passed at the beginning of the year, then the annual appropriation measure must be adopted no later than April 1. The County has chosen to adopt its annual appropriation measure on or about the first day of January. Annual appropriations should not exceed the County Budget Commission's official estimates of resources; and appropriation measures are to be certified by the County Auditor as not exceeding the Official Estimate of Resources.

Financial Reports and Examinations of Accounts. Beginning with the fiscal year ended December 31, 1992, the accounting procedures prescribed by the State Auditor, applicable to all counties in Ohio, are the generally accepted government accounting principles as presented and recommended in the National Council on Governmental Accounting publication Governmental Accounting, Auditing, and Financial Reporting, and the Industry Audit Guide of the American Institute of Certified Public Accountants, entitled Audits of State and Local Governmental Units. Those publications, among other things, provide for a modified accrual basis of accounting for the general fund, all special revenue funds, debt service funds, all capital project funds and all agency funds, and for a full accrual basis of accounting for all proprietary fund types, and further provide for the preparation for each fund of balance sheets, statements of revenues and expenditures, and statements showing changes in fund balances. Under current law, the County is required to prepare financial reports in accordance with generally accepted accounting principles, as applied to government units.

The County utilizes an automated accounting and financial management information system that enables them to prepare automated financial statements on a cash basis in accordance with statutory requirements. The County recently prepared its Comprehensive Annual Financial Report (CAFR) based on Generally Accepted Accounting Principles ("GAAP") for governments for the fiscal year ended December 31, 2003 as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. In addition the County's

CAFR includes the implementation of the new reporting model as promulgated by GASB Statement No. 34. The State Auditor's Office is charged by Ohio law with responsibility for inspecting and supervising the accounts and reports of the County. The State Auditor's Office performs a consolidated audit of all the County's funds and accounts.

Proprietary Funds' financial transactions are recorded on the accrual basis of accounting: revenues are recognized when earned and measurable, and expenses are recognized as incurred. Unbilled service charges receivable are recognized as revenue at year-end.

The Auditor's Finance Department is responsible for the auditing analysis of all purchase orders and vouchers of the County. As these documents are received, they are carefully examined to ensure their legal nature, their use of proper accounts and the availability of funds prior to payment.

Except for examination by the State Auditor's Office and a State Welfare Department audit of welfare expenditures, no other examination or audit of the County's records is made.

The most recent examination by the State Auditor's Office of the accounts and records of the County Auditor, County Treasurer and County Commissioners was completed through December 31, 2003. The reports of such examinations have been received by the County and did not include any material findings.

Financial reports are prepared annually by the County and filed with the State Auditor's Office pursuant to Ohio law. Such reports are required to be submitted to the State Auditor's Office within 150 days after the close of each year, and have been filed by the required time.

Audit reports issued on the County by the State Auditor are available for public inspection following the completion of the audit and post-audit activities.

Appendix A presents portions of the County's Comprehensive Annual Financial Report for the years ending December 31, 2002 and 2003. Appendix B presents a summary of the County's 2004 Budget Appropriations.

INSURANCE

Arthur J. Gallagher & Co. administers all County real and personal property, comprehensive general liability including law enforcement liability, blanket crime coverage, public official's liability insurance, fleet insurance, and a comprehensive boiler and machinery coverage.

Other than blanket crime, coroner's professional liability and boiler and machinery, all coverage falls under the County's protected self-insurance program. St. Paul Fire & Marine Insurance Company provides an \$11,000,000 per occurrence limit Liability Package for general liability, automobile liability, law enforcement liability, public entity management liability and a \$2,000,000 limit for Employment Practices Liability. Travelers Indemnity Company provides a